

**~~[R590. Insurance, Administration.~~**

**~~R590-234. Single Risk Limitation.~~**

**~~R590-234-1. Authority.~~**

~~— This rule is promulgated by the insurance commissioner pursuant to Subsection 31A-2-201(3) and 31A-20-108(2)(b).~~

**~~R590-234-2. Purpose and Scope.~~**

~~— (1) The purpose of this rule is to set forth procedures necessary to determine compliance with 31A-20-108, in cases where unlimited insurance policies are issued.~~

~~— (2) This rule applies to all entities that write unlimited insurance policies, except title, workers' compensation, occupational disease, and employers' liability insurance policies.~~

**~~R590-234-3. Definitions.~~**

~~— In addition to the definitions of Section 31A-1-301, the following definitions shall apply for the purpose of this rule:~~

~~— (1) "Unlimited Insurance Policy" means an insurance policy that does not specify a maximum limit for benefits to be paid under the policy.~~

~~— (2) "Single risk" includes all losses reasonably expected as a result of the same event.~~

~~— (3) "Single Risk Limitation" is 10% of capital and surplus, as prescribed by 31A-20-108(2).~~

**~~R590-234-4. Calculation of Single Risk Limitation for Unlimited Insurance Policies.~~**

~~— In cases where unlimited insurance policies are issued, the insurer shall use \$2,000,000 as the maximum potential risk, for purposes of determining compliance with the single risk limitation.~~

**~~R590-234-5. Enforcement Date.~~**

~~— The commissioner will begin enforcing the provisions of this rule 45 days from the rule's effective date.~~

**~~R590-234-6. Severability.~~**

~~— If any provision of this rule or the application of it to any person or circumstance is for any reason held to be invalid, the remainder of the rule and the application of the provision to other persons or circumstances may not be affected by it.~~

**~~KEY: single risk limitation~~**

**~~Date of Enactment or Last Substantive Amendment: March 22, 2006~~**

**~~Authorizing, and Implemented or Interpreted Law: 31A-2-201; 31A-20-108]~~**

# NOTICE OF PROPOSED RULE REPEAL

- The agency identified below in box 1 provides notice of proposed rule change pursuant to Utah Code Section 63G-3-301 and Subsection 53C-1-201(3)(c).
- Please address questions regarding information on this notice to the agency.
- The full text of all rule filings is published in the Utah State Bulletin unless excluded because of space constraints.
- The full text of all rule filings may also be inspected at the Division of Administrative Rules.

## Agency Information

- Agency: Insurance - Administration  
 Room no.: 3110  
 Building: STATE OFFICE BLDG  
 Street address 1: 450 N MAIN ST  
 Street address 2:  
 City, state, zip: SALT LAKE CITY UT 84114-1201  
 Mailing address 1: PO BOX 146901  
 Mailing address 2:  
 City, state, zip: SALT LAKE CITY UT 84114-6901

## Contact person(s):

Name: Phone: Fax: E-mail:

Jilene Whitby	801-538-3803	801-538-3829	jwhitby@utah.gov
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(Interested persons may inspect this filing at the above address or at DAR during business hours)

## Rule Information

DAR file no: 33648 Date filed: 05/13/2010 05:22 PM  
 State Admin Rule Filing Key: 149546  
 Utah Admin. Code ref. (R no.): R 590 - 234 -

## Title

- Title of rule or section (catchline):  
 Single Risk Limitation.

## Notice Type

- Type of notice: Repeal

## Rule Purpose

- Purpose of the rule or reason for the change:

This rule was written to regulate unlimited health insurance policies as defined in 31A-20-108. With the passage in 2009 of HB 52, Insurance Code Amendments, health insurance has been exempted from regulation under this section of the code.

## Response Information

- This change is a response to comments by the Administrative Rules Review Committee.  
 No

## Rule Summary

- Summary of the rule or change:

This rule is being repealed as a result of the passage in 2009 of HB 52, Insurance Code Amendments, which

exempted health insurance from regulation under section 31A-20-108 of the code.

#### Aggregate Cost Information

##### 7. Aggregate anticipated cost or savings to:

###### A) State budget:

Affected: No

The repeal of this rule will have no fiscal impact on the department since there is no fee involved in it and the rule just sets a limit for unlimited insurance policies.

###### B) Local government:

Affected: No

This rule has no impact on local governments. It deals solely with the relationship between the department and their licensees.

###### C) Small businesses:

Affected: No

("small business" means a business employing fewer than 50 persons)

The repeal of this rule will have no effect on small businesses, especially since the provisions of the rule deal with policies purchased by larger employers.

###### D) Persons other than small businesses, businesses, or local government entities:

Affected: No

("person" means any individual, partnership, corporation, association, governmental entity, or public or private organization of any character other than an agency)

There will be no cost to insurers or their insureds due to the withdrawal of the previous restrictions and requirements on health insurers who sell unlimited insurance policies.

#### Compliance Cost Information

##### 8. Compliance costs for affected persons:

There will be no cost to insurers or their insureds due to the withdrawal of the previous restrictions and requirements on health insurers who sell unlimited insurance policies.

#### Department Head Comments

##### 9. A) Comments by the department head on the fiscal impact the rule may have on businesses:

It is very unlikely there will be any cost to Utah Businesses as a result of the repeal of this rule.

##### B) Name and title of department head commenting on the fiscal impacts:

Neal T. Gooch, Acting Insurance Commissioner

#### Citation Information

##### 10. This rule change is authorized or mandated by state law, and implements or interprets the following state and federal laws.

State code or constitution citations (required) (e.g., Section 63G-3-402; Subsection 63G-3-601(3); Article IV) :

31A-2-201(3)

31A-20-108(2)(b)

#### Incorporated Materials

##### 11. This rule adds, updates, or removes the following title of materials incorporated by references (a copy of materials incorporated by reference must be submitted to DAR; if none, leave blank) :

Official Title of Materials Incorporated (from title page):

Publisher:

Date Issued:

Issue, or version: ISBN Number: ISSN Number: Cost of Incorporated Reference: Adds, updates, removes:
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## Comments

12. The public may submit written or oral comments to the agency identified in box 1. (The public may also request a hearing by submitting a written request to the agency. The agency is required to hold a hearing if it receives requests from ten interested persons or from an association having not fewer than ten members. Additionally, the request must be received by the agency not more than 15 days after the publication of this rule in the Utah State Bulletin. See Section 63G-3-302 and Rule R15-1 for more information.)

07/01/2010

A) Comments will be accepted until 5:00 p.m. on (mm/dd/yyyy) :

B) A public hearing (optional) will be held:

On (mm/dd/yyyy): \_\_\_\_ At (hh:mm AM/PM): \_\_\_\_ At (place):

## Proposed Effective Date

13. This rule change may become effective on (mm/dd/yyyy):

07/08/2010

NOTE: The date above is the date on which this rule MAY become effective. It is NOT the effective date. After the date designated in Box 12(A) above, the agency must submit a Notice of Effective Date to the Division of Administrative Rules to make this rule effective. Failure to submit a Notice of Effective Date will result in this rule lapsing and will require the agency to start the rulemaking process over.

## Indexing Information

14. Indexing information - keywords (maximum of four, in lower case, except for acronyms (e.g., "GRAMA") or proper nouns (e.g., "Medicaid")):
- single
  - risk
  - limitation

## File Information

15. Attach an RTF document containing the text of this rule change (filename):

There is a document associated with this rule filing.

## To the Agency

Information requested on this form is required by Sections 63G-3-301, 302, 303, and 402. Incomplete forms will be returned to the agency for completion, possibly delaying publication in the Utah State Bulletin, and delaying the first possible effective date.

## Agency Authorization

Agency head or designee, and title:

Jilene Whitby Information  
Specialist

Date (mm/dd/yyyy): 05/13/2010